ONE RULED CHICAGO'S TEAMSTERS, the city's largest and most powerful union. The other gathered statewide influence by leading a membership of janitors. In a city that made labor proud, both were accused of ruling the way bosses used to, flexing muscle in self-interest. It was coincidental, and perhaps ironic, that both fell on the same day in the name of reform.

Two labor kingpins toppled

Teamsters' Hogan says it's political

By Peter Kendall and John O'Brien
TRIBUNE STAFF WRITERS

For years, one quote has clung to Chicago Teamster boss William Hogan Jr. like a ring on a pudgy pinky.

"I am living proof," Hogan once said, "that nepotism works."

On Thursday, it finally worked against him.

On the advice of a court-appointed review board, the International Brotherhood of Teamsters stripped Hogan of his authority to run Local 714, an organization he inherited from his father and operated like a family business.

The action not only tears the power from Chicago's most prominent labor leader but jeopardizes Hogan's bid to gain control of the international along with Jimmy Hoffa Jr.

After a nearly yearlong investigation of 714, the Washington-based Independent Review Board found that the local was being run for the benefit of Hogan, his family and his friends—not for the local's 10,700 members.

"For decades, this local's representatives have trampled over members' rights in the rush to take care of their own," the review board said in its report.

Nepotism was at its worst, the board said, in the high-profile, high-paying movie and trade show industry division, which "was run as a Hogan family fiefdom within the local."

The report concluded that the union should be taken from Hogan and put in the trusteeship of the Washington-based international.

Hogan—a man with a slight

SEE TEAMSTERS, PAGE 20

Tribune file photo

William Hogan Jr. took over Teamster Local 714 from his father, who started it in 1934. There has been no contested election for leadership since 1961.

Teamsters

CONTINUED FROM PAGE 1

build and a sharp, often profane tongue—saw the move as an escalation of his battle against International Teamster President Ron Carey, a reformer elected in 1991.

Hogan and Hoffa are vying to topple Carey in a November election, campaigning on promises of restoring the Teamsters to the power and high wages they once enjoyed.

In a written statement released Thursday night, Hogan charged Carey with trying to rig the outcome of an election "he knows he can't win."

"I will rise above these malicious, politically motivated distortions of the truth," Hogan said. "Today's events will only galvanize hundreds of thousands of Teamsters across the country into working even harder to ensure that Ron Carey is not re-elected."

In New York, Carey scoffed. "Those who scream the loudest about retaliation are the ones with their fingers deepest in the cookie jar."

The review board was formed after the Justice Department began to take over and clean up the Teamsters in the 1980s. In Hogan's view, the board is in cahoots with Carey.

Leaders are often kicked out of a union after a local is put into trusteeship. Such an action would preclude Hogan from running in the election.

The ouster of Hogan worked better on paper than it did in execution.

When several officials from Teamster headquarters arrived at the Local 714 offices at 6815 W. Roosevelt Rd. in Berwyn, a beefy Hogan aide closed the steel door in their faces. The standoff began shortly after 3 p.m. as the officials, led by the appointed trustee, St. Louis Teamster boss John Metz, tried to gain entry.

Metz said the refusal to admit him and Barbara Hillman, a Chicago lawyer retained by the international union to help carry out the takeover, was merely delaying the inevitable.

"I am the duly appointed emergency trustee for this local," said Metz, who heads Teamsters Local 610. Like Hogan, he is a leader of the Midwest Teamster District Council, a regional umbrella group.

Hillman said the international would seek a court order to remove Hogan and his staff from the local headquarters. A hearing could be held as early as Friday.

Stripping Hogan of his authority was the climax of one of Chicago's great labor stories.

William Hogan Sr. founded the local in 1934 and handed over leadership to his son. There has been no contested election for leadership since 1961.

The younger Hogan has built the local into a powerhouse, exerting influence over one of the city's premier industries, trade shows.

Until last year, he headed the Chicago Convention and Tourism Bureau. This year, he was named Man of the Year by the Jewish National Fund.

When the film industry began to flourish again in Chicago, he helped nurture it. At the same time, his family, from children to distant cousins, flowed in to fill Teamster jobs and create companies to support the industry.

Half the members permitted to work in trade shows or movies since 1993 had personal connections to Hogans or top stewards, the review board found.

The board noted that Hogan's son, William Hogan III, has the high-paying job of transportation coordinator. In that job, he hires local transportation companies on behalf of the producers. The son also is an owner of at least three of the companies he hires, including Movies in Motion, whose trucks are familiar to anyone who has passed a movie location.

"Nepotism and favoritism are prominent factors influencing entry into and work assignments in the local's trade show/movie division," the review board said. "Local members in positions of authority in the division and their relatives own businesses which are dependent for profit on Local 714 employers."

Tribune photos by John Dziekan

John Metz, the appointed trustee, (left at left) and attorney Barbara Hillman can't get in at Local 714. Teamster John Clancy (above) at another 714 office.

The board also noted that a longtime family friend, Nick Sam Boscarino, was 714's chief steward at the Rosemont Exposition Center. At the same time, through his 10-year-old daughter, Boscarino had ownership of four companies that did business with the center.

That, the review board found, was a conflict of interest and another example of how Hogan's cronies prospered in Local 714.

Boscarino resigned his Teamster post May 30, the day he had been scheduled to give his second deposition before the board.

The panel also found that Hogan and the local failed to call membership meetings, entered into scam collective bargaining agreements and possibly violated the National Labor Relations Act in the way work was divvied out. There are no seniority lists in Local 714.

"For every minute of work," the board found, "these individuals were dependent for work assignments on the unguided discretion of the appointed chief steward, who served at [Hogan's] pleasure."

Tribune reporter Merrill Goozner contributed to this article from New York.

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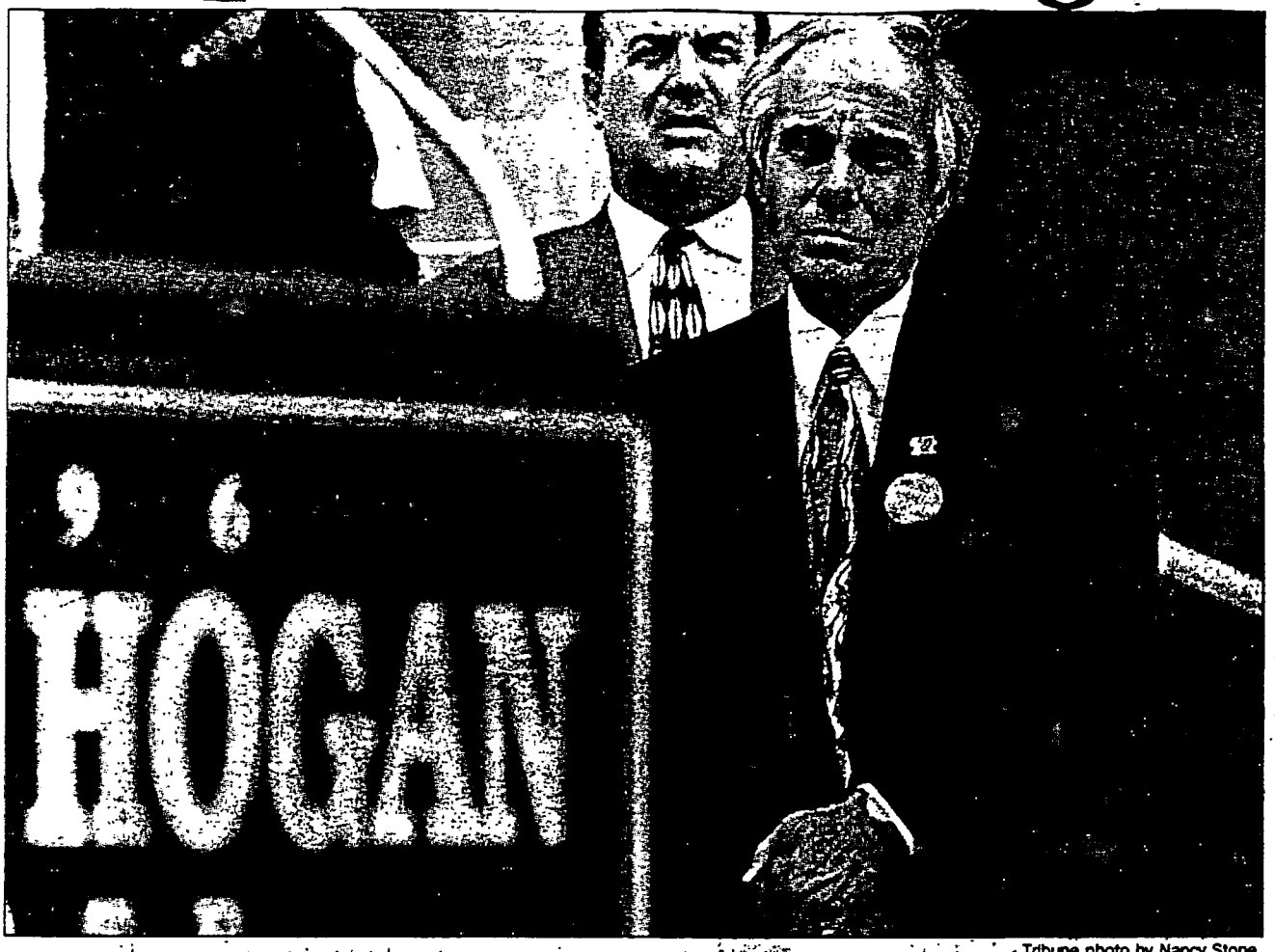
Chicago Tribune
Sunday, June 23, 1996

Tribune photo by Nancy Stone

William Hogan Jr. (left), head of Local 714 of the Teamsters, chats with union members Bret Subsits (right) and Jim Scog.

WEB OF POWER

Teamsters chief pulls the strings



Tribune photo by Nancy Stone

Chicago Teamsters leader William Hogan Jr., 55, inherited the reins of Local 714 from his father.

As William Hogan Jr. vies to become a national leader of the Teamsters union, a court-appointed review board probes how he and his extended family run Local 714 and influence the city's movie production and trade shows.

By Peter Kendall and John O'Brien
TRIBUNE STAFF WRITERS

William Hogan Jr. likes to say he was *born* a Teamster.

One of his earliest memories puts him in his father's office at the union hall, pounding an inky "Teamsters Local 714" rubber stamp onto paper over and over again.

"That logo is stamped in my head," he says.

A kid from the neighborhood who shared a bed with his mother and three siblings, he now pulls in more than $200,000 a year after inheriting Local 714 from his dad as if it were a car dealership.

Despite the big house in Arlington Heights, he keeps the old neighborhood alive in his language.

When he says, for example, that "I got thrown out of grammar school for kicking a nun in 1st grade," the word "thrown" comes out "trone."

He uses obscenities often—as nouns, verbs and adjectives—then apologizes with a wave of his hand. "What can I say?" he croons with a sweet smile and blue eyes that truly do twinkle. "I am a Teamster."

Teamster. Even Hogan appreciates what an evocative word that is.

Since 1899, when the men who drove teams of horses banded into the Teamsters union, they have derived power from the fact that they controlled when—even if—things moved.

"We were the toughest, meanest sons of bitches in the forest out there," Hogan said almost wistfully as he sat in the local's office on a time-

SEE TEAMSTERS, PAGE 9

■ It takes a big flow chart to map the Hogan family's empire. **Page 9.**

Teamsters:

'The fix' seems to lurk behind many a deal.

CONTINUED FROM PAGE 1

worn block of Roosevelt Road in Berwyn.

Just how the Teamsters held onto control and polished that fearsome reputation, however, wasn't always visible, despite the probing of Congress and federal prosecutors.

The curtains are just now being pulled back on Hogan's 11,000-member local by a court-appointed review board empowered to clean up the corruption in the Teamsters.

What the board's investigators are finding may or may not lead to sanctions against Hogan. But a Tribune examination of some of the board's depositions, along with other documents, provides a rare glimpse of the way things get done in a city where "the fix" seems to lurk behind many a deal and reveals the heretofore cloaked workings of two of Chicago's most visible industries—movie production and trade shows.

In both industries it pays to be friends with a Hogan—or, better still—to be a Hogan.

Since January, investigators empowered by a 1989 agreement between the Teamsters and the U.S. Justice Department have been in Chicago taking depositions from truck drivers and union officials, dock workers and forklift operators.

The review board's investigation comes at a most inopportune time for William Hogan Jr., who at 55 is trying to rise from his position as the most powerful Teamster in Chicago to an international labor leader.

Hogan is second on a ticket vying to win an internal Teamster election in November for control of the International Brotherhood of Teamsters, headquartered in Washington, from self-styled reformer Ron Carey.

At the top of the ticket: Jimmy Hoffa Jr., the son of the man who made the Teamsters into a powerful yet widely disdained force, then was killed by the mob with which he formed a partnership.

But the Hoffa-Hogan ticket, which has a good shot at toppling Carey, could be derailed by the investigation by the Independent Review Board. If Hogan is booted from the union, he could not be elected to lead it.

"I am fighting for my life here," he said.

A way of life hangs in the balance as well.

Family ties

When Sidney Poitier and the production company for "To Sir with Love II" rolled into town in December, it was production chief Bob Warner's job to get the filming for the made-for-TV movie done on time and on budget.

One of the first things he needed was a "transportation coordinator," a Teamster union member who would help lease all the mobile dressing rooms, makeup trailers and wardrobe trucks the movie would need during its month of filming here.

When he called Teamsters' Local 714, he knew who he wanted for transportation coordinator: William Hogan III, the 32-year-old son of the local's boss, William Hogan Jr.

For Warner's money, Billy Hogan, as he is known, has all the skills—well organized and facile with logistics and scheduling.

That he is the son of the city's top Teamster doesn't hurt.

"Nepotism is a fact of life in this and every other industry in the world," said Warner in an interview. "You'd be foolish ... not to use it."

It was Billy Hogan's job to find a makeup trailer to lease, and he turned to a local company called Movies in Motion.

"Their equipment is a lot better," said Hogan III. He should know: He's the company's president and one of the owners.

His brother, fellow 714 member James A. Hogan, is the company's secretary and also holds ownership shares. So do Hogan cousins.

For a wardrobe trailer, he also went to Movies in Motion. For a makeup trailer, Movies in Motion.

When he works as a transportation director, his Rolodex is surprisingly similar to his family phone book.

When he needs the septic tanks pumped out, he can call Art's RV service, a company he co-owns with other family members.

When he needs trucks, Billy Hogan can call H&M rentals, another company in which he has ownership.

Some equipment, however, Movies in Motion and H&M Rentals doesn't have, so Billy Hogan has to go elsewhere.

For much of it, however, he can go to Show-Biz Chicago. Dawn Hogan, his aunt, is president of that company.

Billy Hogan says he makes little from the companies but runs them to supply moviemakers with the equipment they need to keep the industry alive in Chicago. "We listened to producers," he said. "They said if the equipment was here, it would help the industry."

Warner, the production chief, said he was aware of the Hogans' ownership. "We got a real good deal from Billy," he said. "He did a terrific job."

The movie almost took its payroll elsewhere. The script was set in New York, and the production company originally wanted the film to be made in Toronto to save money.

But concessions made by several unions, including Teamsters Local 714, lured the film—and the jobs—to Chicago.

During most location filming, a Teamster driver has to be with a truck, even if the truck isn't moving that day. By agreeing to forgo drivers when trucks weren't moving, Local 714 saved the film 40 percent of its transportation labor costs, said production chief Warner.

Of course, the Teamster rank and file benefited from having those jobs come to Chicago.

So did those companies owned by members of the Hogan family, who in turn hire the Teamsters.

"It's a tremendous conflict of interest for people to be involved in labor and the industry they are organizing," said Ken Paff of Teamsters for Democratic Union, a Detroit reform group opposed to the Hoffa-Hogan ticket.

Hogan denies, however, that his family's businesses have led to conflicts.

"If they wanted to look at this from the outside, man, I could paint the worst picture in the ... world," William Hogan Jr. said. "*You got to take Hogan's kid and are going to get his equipment jammed down your [expletive].*

"You can look at that from the outside, and man, it's all there. But none of it is true."

William T. Hogan Jr. shrugs off charges that nepotism is rampant in his union local.

"I've got about 20 relatives—cousins, two of my kids—out of 300 working directly in the [movie and trade show] division," Hogan said. "That percentage, I don't think, is all that horrendous. And they work. That is the key."

But the pressure on Hogan from the IRB investigation has been taking a toll, forcing some housecleaning around Local 714.

Earlier this year, William Hogan Jr. was forced to kick his uncle out of the Teamsters because he refused to meet with investigators.

But plenty of other Hogans remain in Local 714.

In 1994, William Hogan Jr., his son Robert, his brother and a brother-in-law collected a combined $613,271 in salary and other compensation from membership dues.

Nationally, the average working Teamster makes about $25,000 a year.

Reached by telephone on the campaign trail, Hogan's running mate, Hoffa, scoffed at the nepotism charges. Fathers and sons are found on the payrolls of big business and government, he said.

"Stockbrokers are working with their sons," Hoffa said. "Look at Bobby Kennedy. His brother [President John F. Kennedy] made him attorney general."

Still, a quote uttered years ago by William Hogan Jr. now follows him around like a horsefly on a summer afternoon. "I am living proof," William Hogan Jr. once said, "that nepotism works."

But not all the favoritism charges lobbed at Hogan involve his direct family. The Independent Review Board has also explored how some of the Hogans' friends have profited from their relationship with Local 714.

Forklift wars

Perry DuBose picked up the telephone and listened to the familiar, though agitated voice of Nicholas Sam Boscarino.

Boscarino, then a powerful Teamster steward in Chicago, was upset. DuBose, Boscarino said, had forgotten who his friends were.

DuBose, who owned a fleet of forklifts called National Lift Truck Inc., had agreed to supply a new company trying to edge in on the lucrative business at McCormick Place.

It wasn't smart to be doing business with this new company, DuBose was told. He should be careful.

As each big show comes into McCormick Place, the O'Hare Exposition Center or the area's other smaller convention spaces, it is Teamsters who move the displays in and out. For years, one company has had a monopoly on the forklifts and scooters they use.

That company is owned by Nick Sam Boscarino, a childhood friend of William Hogan Jr.'s kid brother, Michael.

"Nick baby-sat for my kids; that's how far back it goes," said William Hogan Jr.

In the early 1980s, Hogan appointed Boscarino the Teamsters' chief steward at the O'Hare Exhibition Center in Rosemont, where his companies have also controlled the forklift business. On May 30, Hogan asked for his resignation, part of a house-cleaning prompted by the Independent Review Board's investigation.

Until then, Boscarino's position was one of concentrated power. Along with the chief steward at McCormick Place, Mike Hardy, Boscarino determined which Teamster members worked and how often they worked. There was no seniority list, a staple with most unions.

The men who were beholden to them for their jobs were the same Teamsters operating the forklifts at McCormick Place—whether they were owned by Boscarino or anyone competing against him.

In 1992, M.C.M. Partners Inc. was trying to rent forklifts from DuBose, then use them at McCormick Place to break Boscarino's monopoly. M.C.M. has sued the companies that do business in McCormick Place to get them to open up the forklift business.

The phone call to DuBose from Boscarino, recalled under oath by DuBose in reluctant testimony during a civil hearing in federal court, left DuBose feeling threatened.

The first hint of what might happen, he testified, came in a conversation with one of Boscarino's employees who talked about the mysterious goings-on deep inside McCormick Place.

DuBose recalled the man saying to him: "Things happen. Things get broken, run into. Things disappear. . . . Things happen down here and no one knows who does it."

And in the coming days, things did happen to DuBose's forklifts at McCormick Place.

Screwdrivers were jammed through radiators. Tires were cut. Toilet paper and bits of wood were stuffed into gas tanks. Metal shavings and BBs were plunked into engine oil spouts.

Boscarino, who himself is no longer a defendant in the suit after a settlement, declined to be interviewed for this article.

But in a deposition taken by the Independent Review Board in January, Boscarino denied ever threatening anyone in order to chase business away from M.C.M.

The suit, which is set for trial this summer, also asserts that William Hogan Jr. stepped in on Boscarino's behalf. It alleges that Hogan traded away workplace concessions to a company in exchange for it doing business only with Boscarino.

Hogan said he made no concessions to give Boscarino an advantage in the forklift business.

Says Hogan flatly: "There is nobody who has ever been muscled."

Going after the IRB

Hogan says that if he and Hoffa are elected, one of their first priorities will be to try to eliminate the Independent Review Board.

To date, $60 million in Teamsters dues have gone to support the board and its investigations into the union. In his view, the government is now running the union.

"As far as I am concerned, the Teamster union is the backbone of the labor movement in the United States. We were the richest, largest, most powerful union in the free world. Today we are a shadow of what we once were.

"The labor movement in this country has to remain free. We are not free anymore."

AP photo

Jimmy Hoffa Jr. is running for Teamsters president, with William Hogan Jr. also on the ticket.

Teamsters leader's family entwined with business interests

The court-appointed Independent Review Board is investigating possible ties to organized crime and nepotism in Teamsters Local 714. The union local, controlled by William Hogan Jr., represents members who work in the trade show and movie industries in which members of his family are labor officials and business owners. These are some of the members of the Hogan family who have ties to Local 714 and related businesses.

Key to relationships: Family ▪▪▪▪▪▪ Business

Joseph E. Hogan
Relation: William T. Hogan Jr.'s uncle
Connection: Former 714 dockworker who was removed from the union for not complying with the investigation.

William T. Hogan
Relation: William T. Hogan Jr.'s father
Connection: Founded Teamsters Local 714 and now is retired.

Nick Sam Boscarino
Relation: Friend of Hogan family.
Connections:
- Former chief steward for 714 at O'Hare Expo Center. Partner in cleaning business at O'Hare Expo Center
- Owns forklift companies: American Trade Shows, OG Services and NSB Equipment Rentals.

Head of 714
William T. Hogan Jr.
Connection: Running for Teamsters national office with James Hoffa Jr.

Brothers and sister

James M. Hogan
Relation: William T. Hogan Jr.'s brother
Connection:
- President of 714

Mary Jane (Hogan) Maxwell
Relation: William T. Hogan Jr.'s sister

Michael P. Hogan:
Relation: William T. Hogan Jr.'s brother
Connection:
- Former 714 steward

Dawn Hogan
Relation: William T. Hogan Jr.'s sister-in-law
Connection:
- President of Show-Biz Chicago

James F. Hogan Sr.
Relation: William T. Hogan Jr.'s cousin
Connections:
- 714 member
- Owns 90 percent of Trade-Show Rentals.
- Shareholder of Art's RV.
- Shareholder of Movies in Motion.

Children

James A. Hogan
Relation: William T. Hogan Jr.'s son
Connections:
- 714 member
- Works in film industry.
- Shareholder and secretary of Movies in Motion and SJB Rentals.

William T. Hogan III
Relation: William T. Hogan Jr.'s son
Connections:
- 714 member
- Co-owner and president of Movies in Motion.
- Ownership in Art's RV
- Ownership in H&M Rentals

Robert A. Hogan
Relation: William T. Hogan Jr.'s son
Connection:
- 714 recording secretary

Nephews

Dan Maxwell
Relation: William T. Hogan Jr.'s nephew
Connection:
- 714 transportation captain

Tim Maxwell
Relation: William T. Hogan Jr.'s nephew
Connection:
- 714 member

Kevin Maxwell
Relation: William T. Hogan Jr.'s nephew
Connection:
- 714 transportation captain
- Part owner of ES Systems

Nephews and niece

Jennifer Hogan
Relation: William T. Hogan Jr.'s niece
Connection:
- Shareholder in Movies in Motion

Brian Hogan
Relation: William T. Hogan Jr.'s nephew
Connections:
- Worked for 714.
- Director and shareholder in Movies in Motion

Brad Hogan
Relation: William T. Hogan Jr.'s nephew
Connection:
- Worked for 714

Chicago Tribune

Mixing family with business
Members of the Hogan family operate these and other companies that find work through Local 714.

- **Teamsters Local 714:** Represents movie and trade-show workers.
- **Show-Biz Chicago:** Rents trailers and other vehicles to moviemakers. Dawn Hogan, sister-in-law of William T. Hogan Jr., is president.
- **H&M Rentals:** Rents trucks to moviemakers. William T. Hogan III owns part of it.
- **Trade-Show Rentals:** Rents equipment for trade shows. James F. Hogan Sr., owns the majority of the company.
- **Movies in Motion:** Rents trailers and other vehicles to moviemakers. Owned by William Hogan III and other members of the Hogan family.
- **SJB Rentals:** Rents trailers and other vehicles to moviemakers. Owned by members of the Hogan family.
- **Art's RV:** Pumps waste from trailer restrooms. Co-owned by William Hogan III and other members of the Hogan family.
- **ES Systems:** Helps set up displays at McCormick Place. Kevin Maxwell, nephew of William T. Ho-

Chicago Tribune 9/3/86

Hogan remains liability for Hoffa

BY CHUCK NEUBAUER
STAFF REPORTER

NEWS ANALYSIS

Labor experts aren't surprised Chicago Teamsters boss William Hogan Jr. threw in the towel over the weekend, dropping his candidacy for national office.

What they can't figure out is why his running mate, James P. Hoffa Jr., had him on the ticket when an investigation of Hogan's Local 714 was common knowledge months ago.

"The only thing that is suprising is that it took so long" for Hogan to drop out, said Michael Belzer, a Teamsters expert at Cornell University. "Keeping Hogan on was a major negative."

"It was foolish for Hoffa to slate Hogan in the first place with the investigation out there," said Jim Strong, a consultant and former labor reporter.

Hogan was ousted as head of Teamster Local 714 last month after an independent investigation accused him and several members of his family of nepotism, conflicts of interest and not running the union democratically.

But he was given the boot by Ron Carey, the incumbent Teamsters president whom Hoffa is trying to unseat, and it touched off predictable charges of election-eve maneuvering.

When Hogan withdrew Saturday, he said he didn't want the campaign to focus on the charges against him and to wind up being Carey's "whipping boy." But labor experts—and Carey operatives—said that is exactly what will happen.

"[The opposition] will still call it the 'Hoffa-Hogan slate,'" Belzer said. "Dumping Hogan is an admission that Hogan is a liability."

"We expect them to make Hogan a target," Hogan spokesman Thom Serafin said.

Lost in the shuffle was exactly who conducted the investigation, how many people knew about it and why Hoffa took a chance on Hogan.

Hogan's local was investigated for eight months by the Independent Review Board, a federally appointed group whose members include former FBI Director William Webster and former federal Judge Frederick B. Lacey.

The board, created as part of a consent decree between the Justice Department and the international union, examined Local 714's records and conducted interviews with 137 Teamsters, including members of Hogan's family.

Last month, the Independent Review Board issued a 122-page report on Local 714, recommending that Carey put it into trusteeship. With the November election, it couldn't have come at a better time for Carey.

Belzer said Hoffa "shot himself in the foot" by putting Hogan on the ticket. "It was well known that there was an extensive investigation of Hogan under way," he said. He believes Hoffa slated Hogan as a "political payback" and because "Chicago is an important base."

"Hoffa needed a real labor leader on his ticket," said Jack Metzgar, a professor at Roosevelt University and former director of its labor education project. "Hogan, for all his faults, was a real labor leader . . . Hoffa has no union experience."

Metzgar thinks Hoffa would have been better off keeping Hogan on the ticket. "I think it means the end of Hoffa's campaign," Metzgar said.

"Hoffa is going to have to do a lot of explaining," Carey spokesman Steve Wattenmaker said. "Hogan got caught with his hand in the cookie jar. . . . He is joined to Hoffa at the hip."

Serafin says Hogan's ouster has "galvanized" some undecided voters to work for Hoffa.

back by popular demand

Hogan drops out of Teamster race

By Stacey Singer
TRIBUNE STAFF WRITER

With a pivotal Teamsters International election two months away, beleaguered Chicago labor boss William Hogan Jr. withdrew from the ticket he shared with Jimmy Hoffa Jr. on Saturday, saying he did not want nepotism charges against him to become a focus of the campaign.

"In the interest of the union, in the interest of defeating [incumbent Teamsters President] Ron Carey, I am going to step aside," Hogan said at a news conference.

Hoffa stood nearby to accept the withdrawal. Teamsters veteran Tom Keegel of Minneapolis will replace Hogan on the ticket, Hoffa said.

"While I deplore the political attack which brought it about, I understand fully his belief that it was necessary and in the best interests of our cause and our union," Hoffa said. "Bill Hogan will continue to campaign for us at work sites all over the U.S. and Canada."

The move was widely anticipated after a federally appointed Independent Review Board put Hogan's 10,700-member Local 714 under trusteeship in August. A yearlong investigation charged that Hogan ran the union for his family's benefit.

The report said that in 1994, Hogan, his son, his brother and a brother-in-law pulled in a combined $613,271 in salaries and other compensation from membership. In the same year, the average Teamster earned about $25,000.

Hogan defended his record, saying that those three and 15 other relatives with the union worked hard for the Teamsters.

"I just came from the Republican and Democratic conventions, and everyone was talking about family values," Hogan said. "I have been accused of helping my family. That is the worst thing they can come up with to say against me."

Hogan, like Hoffa, is the son of an influential and historic Teamsters leader.

Local 714 was founded in 1934 by his father, William Hogan Sr. The son took over the union local in the late 1970s.

No criminal charges have been filed against Hogan, but

SEE HOGAN, PAGE 3

Hogan

CONTINUED FROM PAGE 1

the slight-framed, unapologetic labor boss said he expected them.

"It's probably going to happen, because [Carey loyalists] are trying to make me a focal point of this campaign," Hogan said.

With Hogan's withdrawal, Keegel, a less controversial and less widely known figure, enters the race. Keegel, head of Local 544 in Minneapolis, is secretary-treasurer of his state's joint council.

The ground was laid for his assumption of the No. 2 spot on the Hoffa ticket in July, when he made a strong showing at the Teamsters convention in Philadelphia.

In Washington, the Carey campaign gloated over the switch.

"Why do you put the worst elements of officialdom on your slate if your theme is that the Teamsters should look forward to a new day?" asked Steve Wattenmaker, Carey campaign spokesman.

Hoffa went on the attack, accusing Carey of a "political purge carried out under the guise of 'weeding out corruption.'"

He vowed to take the campaign to the rank-and-file and to turn the focus to his rival's record.

"Joe Louis used to say that you can run, but you can't hide. And the story here is about the failure of Ron Carey's administration," Hoffa said. "Ron Carey has destroyed this union in the past 4½ years. He has bankrupted this union. He has lost 100,000 members. He negotiated disastrous contracts, and he has also divided this union."

Carey has headed the 1.4 million-member union since 1991, after the government gained oversight of elections as a result of federal racketeering charges. During his tenure, he has put more than 60 locals into trusteeship because of alleged mismanagement and improprieties.

Wattenmaker said Carey had turned around two decades of membership and financial losses during his tenure.

"In 1995, there was a net gain for the first time since 1976," he said. "I think it's a tragedy for all Teamsters that people who have a proven record of corruption can be chosen by somebody like Jimmy Hoffa Jr. to run on his slate."

Hoffa accused Carey of targeting the trusteeships toward locals that threatened his power.

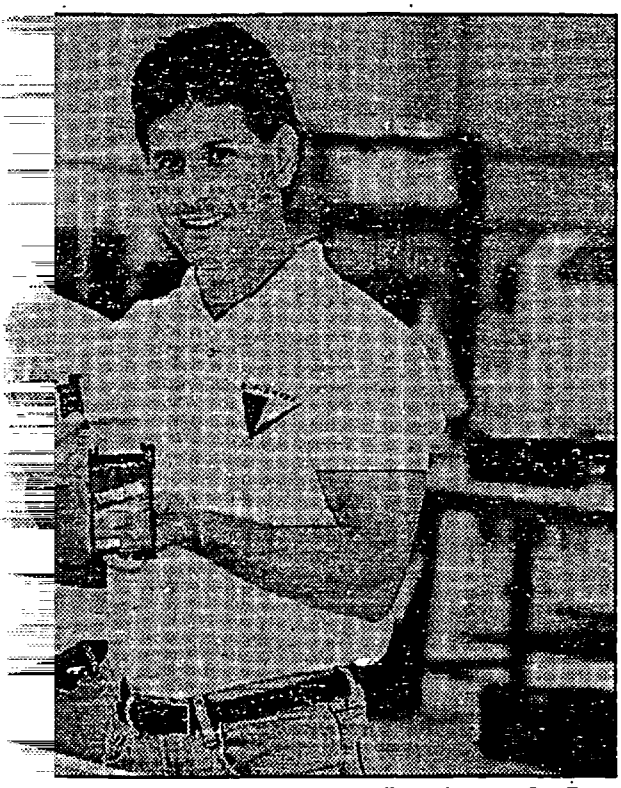
Teamsters suit goes to New York

An **International Brotherhood of Teamsters** lawsuit to enforce its takeover of Chicago's **Local 714** was transferred from federal court in Chicago to New York. U.S. District Judge David N. Edelstein of the Southern District of New York is overseeing a 1989 consent decree in which the **Justice Department** took over the Teamsters to rid it of mob influence and ruled that the fight between the international and local falls within the purview of the decree.

Compiled by Stanley Ziemba

Chicago Sunday Trib 9/8/96

Trib 8/24/96



BRIAN JACKSON/SUN-TIMES

ing director Phu Hoang show off the Extreme Drive.

'es VisionTek

man and president, started peddling chip modules from a kitchen table in a Lincoln Park apartment in 1988. They stored their inventory in a clothing closet. Soon, they invited two other friends from their days at Niles North High School in Skokie.

VisionTek, originally known as Desktop Sales Inc., sold $4 million worth of memory modules its first year. It began assembling its own memory boards in 1991.

Today, VisionTek is among the top five suppliers of memory boards in the United States, with 269 employees and $280 million in sales in 1995. It has 10 percent of the domestic upgrade market and began selling in Europe in December, 1994.

The firm has a new 60,000-square-foot headquarters and plant in Gurnee and a 15,000-square-foot plant in North Sioux City, S.D., across from a key customer, Gateway 2000.

Analysts are especially enthusiastic about VisionTek's prospects with its Extreme Drive product because there is no competition.

The Extreme Drive has a unique design that connects the old drive to the new to download

Trustee hits Teamster acts

Shredding, spending assailed

BY FRANCINE KNOWLES
BUSINESS REPORTER

A ton of records was shredded and close to $300,000 was spent on legal fees to fight corruption allegations while William T. Hogan was being investigated this year as leader of Teamsters Local 714, a trustee in charge of the local said Tuesday.

Trustee John Metz, who appeared before a hearing panel appointed by Teamsters General President Ron Carey, said that since being appointed trustee Aug. 8, he has discovered an invoice from Shred-It Inc. showing that 2,225 pounds of records have been destroyed. The shredding took place while Hogan was being investigated, roughly two months before the trusteeship was imposed.

Tuesday's hearing was required under union rules to determine whether the emergency trusteeship should be continued. The hearing panel has 60 days to make a recommendation. Carey will make the final decision.

Hogan, accused of corruption and nepotism while head of the 11,400-member Local 714, continued to deny any wrongdoing. He and his supporters pointed out that Carey had imposed the trusteeship as well as appointing the three-member hearing panel.

Hogan had been the running mate of James P. Hoffa Jr., who is challenging Carey to head the 1.4 million-member union. Hogan dropped off the ticket Saturday.

Hogan said any records that were destroyed were done so as part of routine "house-cleaning" and he repeated calls for a congressional investigation.

Carey imposed a trusteeship after a federally appointed independent review board presented a 122-page report. Hogan was later suspended as secretary-treasurer of the local and as head of Joint Council 25.

Metz also said:

- Payments to law firms by the local have gone from $155,000 in 1995 to nearly $300,000 in the first seven months of this year.

Hogan said the expenses were for "union business. [Carey and his supporters] came after the local. I hired an attorney, and now they say that's wrong."

- Almost $268,000, or 45 percent of all salaries paid by the local this year before the trusteeship was imposed, went to Hogan family members.
- In the lucrative trade show and convention business, where salaries can be as high as $60,000, half of all new members in the division since 1993 were family or friends of the Hogans or were chief stewards selected by Hogan.

Hogan responded: "They say I've helped people get jobs. That's what Teamsters do, help people get jobs."

Chicago Trib 9/4/96

Teamsters' Hogan faces new charges

Ex-leader accused of misspending dues

By Peter Kendall and John O'Brien
TRIBUNE STAFF WRITERS

New allegations were brought against Chicago Teamster boss William Hogan Jr. on Tuesday, including charges that he used members' dues to pay for a public relations campaign for his aborted bid for national leadership of the union.

The charges, made at a closed Teamster hearing, are the latest in a series that allege Hogan ran Local 714 for personal gain, instead of for the benefit of his members.

Over two decades, Hogan and the local's 10,700 members have controlled how and when things are moved into McCormick Place, the Rosemont Exposition Center, and in the local film industry.

In the last month, an investigation has charged him with corruption and nepotism; he has had the local that was founded by his father stripped from him; and on Saturday he was forced out of a bid with Jimmy Hoffa Jr. to win leadership of the International Brotherhood of Teamsters.

At a closed Teamster hearing on Tuesday, John Metz outlined a number of alleged violations of Teamster rules he has uncovered since taking over as trustee at the Local 714 headquarters in Berwyn on Aug. 8:

- Hogan hired Serafin & Associates, a political public relations firm, to improve his image in anticipation of his bid for national Teamster office. Metz charged that the $4,437 bill for the consultant's work was paid for with union dues paid by 714 members.
- The local paid $269,000 in legal fees in 1996 in an effort to stop the internal review board investigation.
- The local spent about $10,000 per month on "trinkets and gifts, many of which were embossed with . . . Bill Hogan's name."
- While Hogan's local was being investigated by a court-appointed independent review board, the local hired a company to shred more than a ton of documents and records.

In a written statement, Hogan branded the hearing a "kangaroo court," saying he could not get fair treatment from its panel of three judges and Metz, all handpicked by president Ron Carey.

Hogan said the shredding of documents dating to the 1960s was "routine housekeeping" done in June only after union auditors and lawyers assured him the papers were no longer relevant and taking up space.

Hogan said his own political fund, not Local 714, paid the public relations firm.

And the local did in fact pay legal expenses, Hogan said, but only because they were generated by the review board investigation of his local, and it has a right to legal representation.

CCPA Continues to Call the Shots

Teamster Local 714 is Kinky

Chief Investigator Charles Carberry, who heads a court-appointed federal investigation into corruption and organized crime links within the International Brotherhood of Teamsters confirmed that at least five former members of the Berwyn-based Teamsters Local 714 have refused to answer questions about their ties to organized crime figures which resulted in their banishment from the union for life.

This hardly comes as a surprise to those in the know about mob activity As previously reported in the Fall 1995 issue of the *Illinois Police & Sheriff's News*, Teamsters Local 714 - the Hogan family local - is under intense federal heat for its historic and continuing ties to organized crime leaders like Ernest Rocco Infelise, Dickie DeAngelo, David Kaye, Americo DePietto, Rocco the Parrot Potenza - and widespread patterns of corruption. The roster of mob associates who have enjoyed close relationship with Local 714 goes back more than 30-years. It is a shameful and appalling story that has brought a pox down upon Teamsters in Northeast Illinois for decades. But the on-going efforts of International President Ron Carey to wipe away the evil stain of corruption is paying dividends for all who are desirous of removing mob figures and their rape of the working man from the union.

For four months now, investigators appointed under a federal court's jurisdiction, have been busily engaged in interviewing more than 100 people connected with the mob-tainted Teamster Local 714 headed by William T. Hogan, Jr., the erstwhile society gadfly, former head of the Chicago Convention & Tourism Bureau, and the current president of Teamsters Joint Council 25.

Hogan who tries to carefully polish his image as a man of the people would have all believe that he is out to rescue the Teamsters Union from the clutches of an ill-advised Ron Carey. Such is not the case. He has cast his lot with James Hoffa, Jr., an attorney with little or no practical experience as a rank and file guy Billy Hogan is running on the anti-reform slate for the post of General Secretary-Treasurer of the I.B.T The Younger Hoffa heads a ticket that is seeking to turn back the clock on long overdue reforms and Hogan is the financial key to his efforts.

Thus far they have waged an aggressive campaign and media blitz, hype, and sound bites aimed at discrediting Mr. Carey but nothing is mentioned of the unsavory alliances forged with mob figures over the years. David Kaye, a 714 Teamster union steward at McCormick Place served a prison term in Florida for attempted murder and a federal conviction for extortion. Rocky Infelise headed one of the most deadly street crews in the Chicago metropolitan area until he went away on assorted racketeering charges. Infelise worked as a member of Teamster Local 714 at McCormick Place when he was convicted of drug dealing. More recently, the highly publicized flap over the West Side movie studio revealed Hogan's close ties to Movies in Motion, a Chicago-area transportation company owned by William and Salvatore Galioto until the company was dissolved. An embarrassed Mayor Richard M. Daley and his allies hastily withdrew a $5.5 million dollar low-interest loan earmarked from the City of Chicago to the private consortium to construct a 100,000 square foot sound studio on the West Side after the names of the principals leaked out to the press William Galioto is the brother-in-law of James Jimmy the Man Marcello, considered to be one of the top guys in the modern-day syndicate hierarchy.

Local 714 is a stain upon law enforcement and the more than 2,000 Department of Corrections officers and court deputies they represent. Billy Hogan is an embarrassment to the labor movement as well - and, if all be known, to his friend Mayor Daley as well, who originally appointed him to the sensitive post as head of the Chicago Convention Bureau. The fact that Hogan was not re-appointed when his term expired leads one to read between the lines - Chicago politics being what they are. But now that the Independent Review Board and the federal courts have turned up the burners on Hogan and the unsavory connections of Local 714, we shall see what we shall see.

COMBINED COUNTIES
POLICE ASSOCIATION
SPRING 1996

Tribune photo by Carl Wagner

Chuck Burandt (left), a backer of ousted Local 714 chief William Hogan Jr., clashes Monday with supporters of Teamster President Ron Carey outside Hogan's campaign headquarters in Berwyn.

Teamsters take battle to Berwyn streets

By Joel Kaplan
TRIBUNE STAFF WRITER

The battle over the leadership of the international Teamsters Union continued to play out Monday in west suburban Berwyn as the two opposing factions faced off in a stormy, but non-violent confrontation.

About two dozen supporters of incumbent Teamsters President Ron Carey brought picket signs and a bullhorn to march in front of the campaign headquarters of the opposing ticket headed by Jimmy Hoffa Jr. and Chicago's William Hogan Jr.

The campaign headquarters is two doors down from the Teamsters Local 714, which was run by Hogan until last week when Carey's international organization stripped him of power and placed the local into trusteeship.

"They are here to create an incident to try to show you guys are goons," said Hogan, addressing about 50 of his supporters.

The picketing by supporters of Carey, who was elected Teamsters president in 1991 as a reformer and will face off against the Hoffa/Hogan ticket in November, came a day after about 500 Teamsters rallied on behalf of Hogan in front of the federal building downtown.

"We're here to stop the mob and the corruption," said Lorelei Anderson, a candidate for central vice president on the Carey slate who led the protest.

But the members of Local 714, were quick to attack the Carey supporters, pointing out that all of them had to be imported by other locals since Hogan still maintains monolithic support in his own shop.

As the two sides warily approached each other on the sidewalk outside the Hoffa/Hogan campaign headquarters at 6811 W. Roosevelt Rd. in Berwyn, epithets and profane language filled the air.

While the confrontation occurred on the street, the door to Local 714 remained locked Monday as St. Louis Teamster leader John Metz, the emergency trustee, was talking to a small group of the local's membership, according to Jim Hogan, the local's recently ousted president and brother of William.

rotective role

Out of an estimated 100,000 small planes with the part, only about 4,000 have had replacements ordered, according to the Schultz family's attorney.

Bernie Klotz, owner of Joliet Avionics at DuPage Airport, noted that some service bulletins are optional, and said he trusts his mechanics to make the proper judgment.

"I have probably a bunch of service bulletins which there isn't a necessity to take action on because there's no problem," he said. "I inspect my planes every 100 hours."

Many service bulletins, he said, are issued [illegible] manufacturers can protect themselves from liability in case of an accident.

Lawsuits grew so expensive that they helped drive Cessna to stop building single-engine planes, such as the 172, in 1986.

Cessna just resumed building such planes this year, after Congress limited liability on a plane to 18 years after it was made.

A manufacturer's service bulletin is not legally binding, said Drew Steketee, spokesman for the Aircraft Owners and Pilots Association.

"Service bulletins are often called to question," he said.

Mechanical failure, he said, is a factor in only about 5 percent of airplane accidents.

While any fatal crash evokes sympathy, he said, crashes out of so many planes may not be statistically significant to show a trend.

The NTSB's McSweeny said his agency's engineers try to sort out when manufacturers issue bulletins merely to protect themselves.

In Wheaton, the former head of the DuPage Pilots Association said he believes most plane owners follow orders to replace parts.

FAA orders, in particular, are followed and logged, and manufacturer's directives should be as well, Archer Logan said.

"A pilot would be stupid not to follow them," Logan said.

All that was little comfort to Cathie Brouwer, who still feels "robbed" of her daughter by the crash.

"There's still people up there that think, 'It's not going to happen to me,' and it will," she said. "But it's like beating your head against a wall (with the FAA). They drag their feet, and people die."

PLEASE POST

y to investigators

Local Teamsters leader defends business dealings

By James Kane
Daily Herald Business Editor

Bill Hogan, the Chicago area's most powerful Teamster, called Sunday for a Congressional investigation of the union, charging it is Teamsters President Ron Carey, and not himself, who is corrupt.

Hogan, who was removed by Carey last week as the leader of Local 714, stood on a trailer in front of an American flag as he spoke to 500 cheering supporters on the plaza outside the Justice Department's Chicago office.

He defended the local's network of business relationships with companies connected to the movie industry. Carey cited those connections in announcing that he was installing a trustee to oversee the local.

Bill Hogan

"Everything I've done has been in the best interests of this union, this city, this country," said Hogan, an Arlington Heights resident.

He is running with Jimmy Hoffa against Carey in an election this fall.

Hogan said he hasn't decided whether it is best to drop off of Hoffa's slate in light of the allegations that have been made and that he is studying his legal options to fight Carey's action.

He said various accusations have been made against Carey, but they have been whitewashed while the union has engaged in a vendetta against him.

Hogan cited the union's failure to investigate a recent New York City newspaper article that tied Carey into the bilking of an 80-year-old woman out of $400,000.

Carey said he installed a trustee to oversee the local based on a 122-page report by a court-appointed Independent Review Board that documented a web of business relationships it said showed Hogan was running the local for the benefit of his family, not its members.

Eighteen members of the Hogan family are Local 714 members, and four local companies in which Hogan family members have ownership interests provide equipment and services to the movie industry, much of it operated by Teamsters.

But Hogan and his supporters painted a different picture Sunday, one of the movie industry having trouble getting some of the equipment it needed and family members stepping in to fill the gap.

They also defended nepotism as a reasonable expression of family values and said Hogan family members have worked for everything they've gotten.

"I have 11,000 members; what's wrong with 18 relatives?", Hogan asked.

His defenders at the rally included Frank Mancuso Jr., who is producing the movie "Hoods" in Chicago.

"I didn't name the movie," Hogan said as he expressed fear about what his opponents would make of the title.

Mancuso said Teamsters do good work and the Hogan-family companies provide good equipment. "Billy Hogan is out there working his (tail) off every day."

Ron Ver Kuilen, managing director of the Illinois Film Office, cited Hogan as the "single biggest influence" in helping get movies made in Chicago.

"It's incumbent on all of us to back him," he said.

Ver Kuilen said the Hogan-family companies have competitors, that there's no evidence movie makers are coerced into using those companies and that the companies charge market rates for their equipment.

Hogan's public relations firm distributed copies of an investigation that rebutted reports published a year ago suggesting organized crime connections to the movie industry and Local 714.

The union local commissioned former Gov. James Thompson and his law firm, Winston & Strawn, to do the investigation, which found nothing to support the allegations.

Among those attending the rally there were no doubters.

Bob Morretti's comments were typical of those heard from speakers and those cheering in the audience. Morretti of Glendale Heights said he has known Hogan 27 years.

"He's honest and he's fair," he said.

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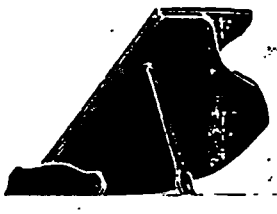

Teamsters' Hogan faces new charges

Ex-leader accused of misspending dues

By Peter Kendall and John O'Brien
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Chicago Trib.
9-4-96

■ The local paid $269,000 in legal fees in 1996 in an effort to stop the internal review board investigation.

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News Analysis
TEAMSTERS

■ *The hostile Teamsters presidential election will determine who gets the chance to reshape the historically troubled union*

Teamsters: Divided they stand

By Francine Knowles
Business Reporter

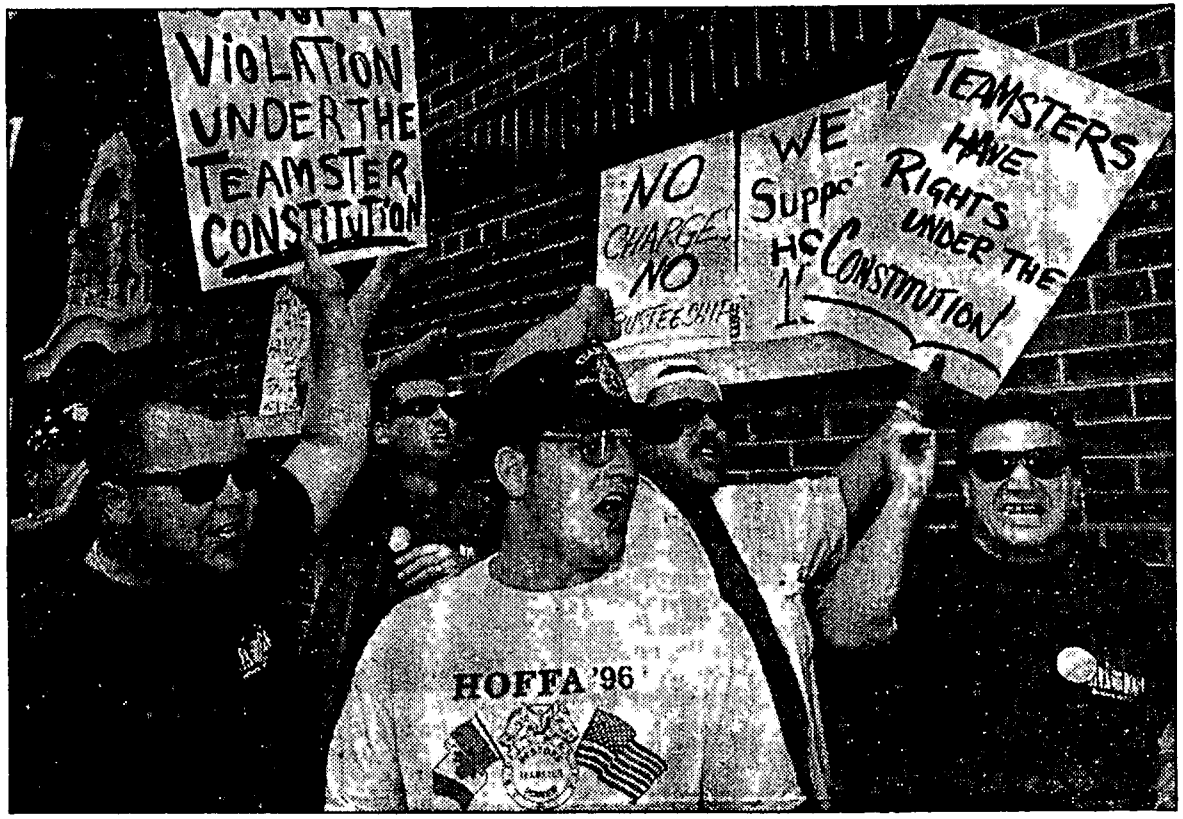
The election rhetoric is growing increasingly shrill as the candidates count down the days until the November balloting.

As they trade charges of mismanagement, corruption, failure to lead and misuse of high office, observers can be excused for wondering if all this bloodletting doesn't do more damage than good to the office of president and its constituents.

We're not talking about Clinton and Dole, but the bitter struggle for leadership of the 1.4 million-member Teamsters union between incumbent Ron Carey and challenger James P. Hoffa, son of the infamous labor leader Jimmy Hoffa, who disappeared in 1975 and is believed to have been murdered by the mob.

"Feuding is going to continue to damage the union's reputation," said Kenneth Crowe, author of the book *Collision: How the Rank and File Took Back the Teamsters.*

"Certainly there are negative aspects, divisive aspects that employers can make use of," said Ken Paff, national organizer with Teamsters for a Democratic Union. "But this is an inevitable byproduct of democracy in the union."


VIOLATION UNDER THE TEAMSTER CONSTITUTION
NO CHARGES NO TRUSTEESHIP
WE SUPPORT TEAMSTERS HAVE RIGHTS UNDER THE CONSTITUTION
HOFFA '96

Rich Hein/Sun-Times

Rank-and-file members of the Teamsters union demonstrate recently outside Local 714 headquarters in Berwyn after the local was placed under trusteeship.

operated companies, many of whom were forced out of business. Teamsters membership ranks dropped by 400,000 in the 1980s.

But Biers says that last year the Teamsters, the largest union in the AFL-CIO, reversed its 16-year membership slide, gaining 4,000 members.

"The Teamsters are still one of the most aggressive, vibrant unions in the country," said author Crowe. "They're still a powerful union, although a shadow of what they once were."

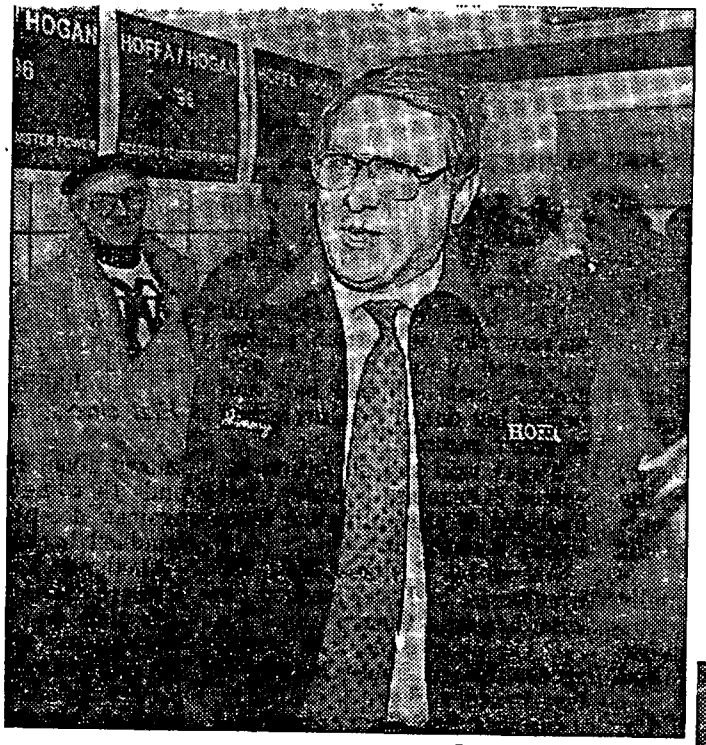
As for weeding out corruption, progress has been made on that front as well, says Teamsters organizer Paff. In the past four years more than 300 officials have been kicked out of office due to corruption or mismanagement.

"The power of organized crime to control the union at the top is greatly diminished," Paff said. "In that sense, the Justice Department can say [the consent decree] is working. It's actually breaking the control instead of bringing one person to jail and someone [else who is corrupt] takes his place."

OVER

RICH HEIN/SUN-TIMES

Teamsters President Ron Carey, elected in 1991 when he ran as a reformer, has been accused of using the power of his office to dismantle his opposition.



BRIAN JACKSON/SUN-TIMES

If James P. Hoffa is elected, some observers say, reform efforts will be slowed and the union's enemies will use its image of corruption against it.

RICH HEIN/SUN-TIMES

Rank-and-file members of the Teamsters union demonstrate recently outside Local 714 headquarters in Berwyn after the local was placed under trusteeship.

Cornell's Belzer agreed.

"If you look at the general trend in the history for this union going back for some time, the last five years have been quite extraordinary," Belzer said. "There have been so many folks run out of the union to root out corruption that it defies the imagination."

Crowe said, "The one common theme in all polls was that rank and file hate the idea of corruption."

But a small percentage doesn't care, Paff says. "Everyone knows Hoffa [Sr.] was one of the most corrupt individuals, but there is a certain number who say 'Yeah, he was a crook, but he did good for us.' It's not the majority. It's a small minority, but that small minority can turn out the vote."

Considering that only 29 percent of the apathetic and frustrated rank and file voted in the last election, that faction could be significant in November, Paff said.

Biers says this election is a crossroads for the Teamsters and a Hoffa defeat would severely weaken the "old guard."

"If Carey wins, he will be able to successfully pull in enough union leaders who have been on the fence," Belzer said. "If he wins, I suspect he'll have a stronger mandate, and I think a lot of opposing forces will come over to his side."

"If Hoffa wins, I think reform efforts will be slowed down and the enemies of the union in business will be able to use the image of corruption to campaign against the union," Biers said. "Companies will say 'Look who's running this union, the son of a guy sent to jail [for corruption], and they will use that against the union. I can't say [James P. Hoffa] will be corrupt. But the perception will be there."

Teamsters strip power from local

BY FRANCINE KNOWLES
BUSINESS REPORTER

Accusing William Hogan Jr. and members of his family of corruption and nepotism, the Teamsters union on Thursday placed the 10,000-member Chicago Local 714 in trusteeship.

Teamsters General President Ron Carey said he was acting on recommendations of a federally appointed independent review board, which presented a 122-page report this week documenting what it said was corruption at Local 714.

Hogan, who also heads Teamsters Joint Council 25, labeled the action "politically motivated, designed to give Ron Carey an advantage in an election he knows he's losing."

Carey is in a bruising election campaign against James P. Hoffa for leadership of the Teamsters. Hogan is Hoffa's running mate.

After an eight-month investigation, the review board accused Hogan and some members of his family of conflict of interest, nepotism, favoritism and failing to run the union democratically, the national union said.

But national representa-

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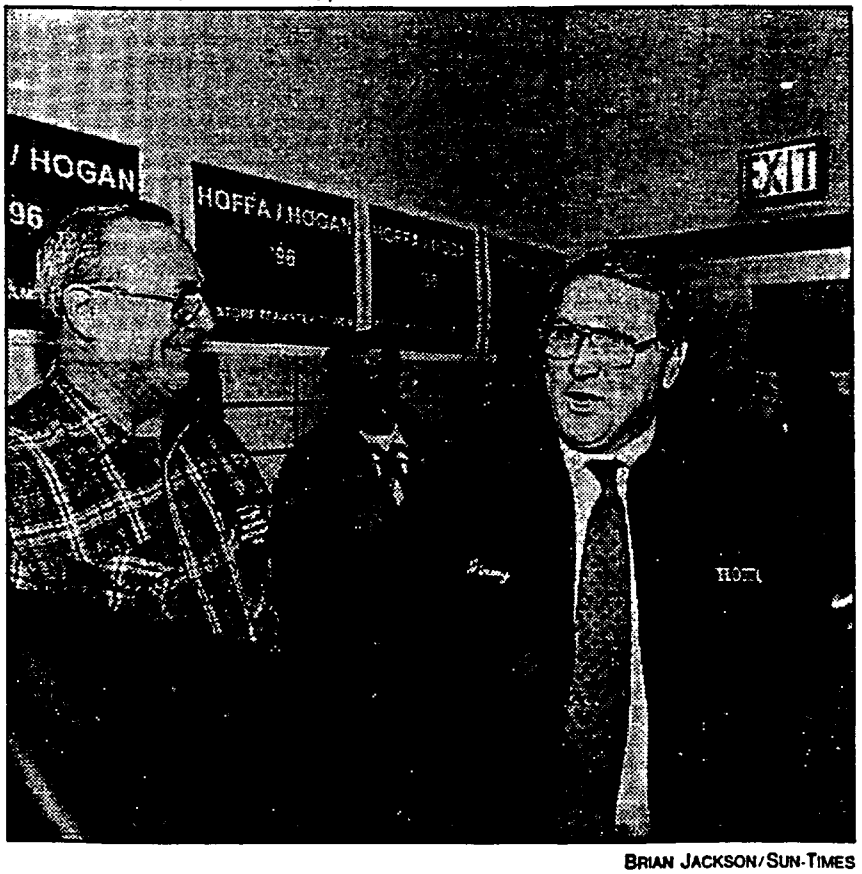


BRIAN JACKSON/SUN-TIMES

James P. Hoffa, candidate for general president of the Teamsters, shakes hands at a party earlier this year. His running mate, William Hogan Jr., faces charges of nepotism and corruption.

Union

Continued from Page 1

tives were kept out of the local Thursday and were unable to take over operations, said Teamsters spokesman Craig Merrilees. The national office is seeking a restraining order to allow access and to prevent records from being destroyed, Merrilees said.

The review board said the local "is being run for the benefit of its principal officer William Hogan Jr., President James M. Hogan, Recording Secretary Robert Hogan and their family and friends."

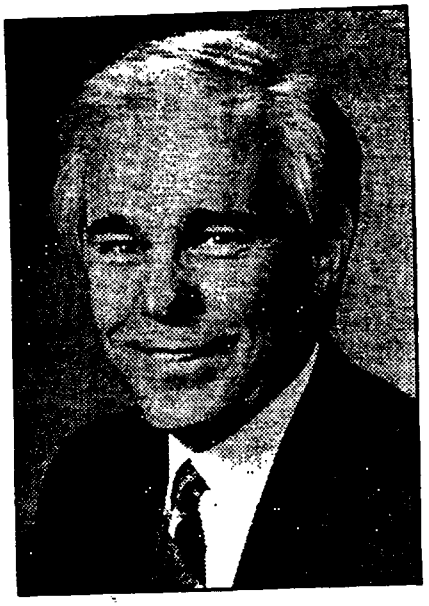
The court-supervised review board was created under a 1989 consent decree settling racketeering charges against top Teamsters officials and organized crime figures.

Carey said William Hogan was still eligible to run for office, and he may report to work although he will have no authority to take any actions.

Carey said the parties named by the review board will have an opportunity to fight the charges at a hearing.

The national office said the board's report noted:

■ At least five Hogan family members and two others who have positions of authority in the local's trade show-movie division also have ownership interests in companies that work with employers of local members in those industries. The local was accused of giving trade show or movie jobs, which have higher wages and benefits, to relatives and friends of the Hogan family, Carey said.



William Hogan Jr. says charges are politically motivated.

■ A company owned by William Hogan Jr.'s nephew, Timothy Maxwell of Convention Cartage Systems, did not pay required health insurance premiums to the Local 714 Health Fund until the review board began its inquiries.

■ Local 714 officers have used their control over jobs in the trade show-movie division to maintain control of the local.

■ There hasn't been a contested election for the union office since at least 1961.

■ The three Hogans who hold top posts in the local were appointed in 1990 when William Hogan Sr. retired after 50 years as principal officer.

John Metz, head of the international's public emeployees division has been named trustee.

Hoffa faces Hogan dilemma

By Francine Knowles
BUSINESS REPORTER

James P. Hoffa could have more to lose than gain if he dumps his embattled running mate, powerful Chicago Teamsters leader William T. Hogan Jr., from his slate, labor observers say.

Hoffa, who is seeking to unseat Ron Carey as national president of the Teamsters union, has not issued a statement since the local that Hogan heads was placed under trusteeship last week. Hogan was suspended from office amid allegations of nepotism, conflict of interest and failing to run the union democratically. He denies any wrongdoing.

Hogan, who remains eligible to run for the international's No. 2 post of secretary-treasurer, remained a candidate on the Hoffa ticket Monday and said he was weighing his options. He expressed disappointment that Hoffa hadn't issued a statement yet.

He said he expects to decide soon if he will drop out of the race.

Dropping ousted official could hurt

"I understand the negatives if I don't," he said. "Folks will say, 'Look at Hoffa running with this corrupt individual.' But there will be a lot of people demoralized if I don't run. . . .

"A lot of people want me to stay in this. But I'm going to make a decision that's best for the organization."

Abandoning Hogan would be a mistake, said Jack Metzgar, a professor at Roosevelt University and former director of labor education at the university.

"Logically, it seems to me that if Hoffa abandons Hogan, then that demobilizes the whole Chicago area where Hogan has the most influence," he said. "Then a lot of people [here] will be angry at Hoffa, and to the rest of the country it will seem like an admission of Hoffa saying, 'Yes, the guy I chose to be my second-in-command is corrupt.'

"There's no good choice here. But the choice to abandon Hogan at this point is worse than sticking with him."

Indeed, the Hoffa-Hogan ticket appears to have a strong following among the 110,000 Teamsters in the Chicago region, who represent close to 10 percent of the 1.4 million-member union.

The majority of local delegates elected to the Teamsters convention last month expressed support for the Hoffa-Hogan ticket, and Hoffa campaign spokesman Tom Pazzi said earlier this year that the Chicago area will play a major role in a close election.

Jim West, editor of Labor Notes, agreed that there could be problems if Hogan is forced off the slate. "If Hoffa were to dump him, that would be tantamount to saying that the top guy on the slate next to me is a crook, so I would be really surprised if Hoffa would dump him on his own," West said.

If Hogan is forced to resign, West doesn't think that will change the nature of the campaign: Carey remains cast as a reform candidate, who won in 1991 on a campaign promising to end union corruption and mob ties.

Ver Kuilen's performance rates 0 stars

Act I: A local Teamsters union official, accused of corruption and nepotism, refuses to obey an order to vacate his Chicago office and turn over its operations to a federally appointed trustee from the national union, pending an investigation. The trustee outlasts a daylong protest by angry members of Chicago Local 714, who surround the local headquarters.

Act II: Days later, the defiant union boss, William Hogan Jr., holds a rally, attended by more than 300 supporters. Among those speaking out on the boss' behalf is the director of the State of Illinois Film Office, who praises Hogan as "a patently honest guy" who has been most helpful in generating film business for Chicago.

This was real life, not scenes from a bad movie. Film chief Ron ver Kuilen claims he was speaking as a private citizen. That's his right. But when he's discussing the movie industry in Chicago, he is naive to think he can separate his role as a public official.

Ver Kuilen showed poor judgment in taking sides in this dispute.

SOUTHTOWN ECONOMIST

Teamsters local put in trusteeship

CHICAGO (AP) — Citing widespread corruption and nepotism in the operation of Chicago's union affairs, the national Teamsters placed Chicago's 10,000-member local in trusteeship Thursday.

Teamsters General President Ron Carey said an independent review board, which included former FBI Director William Webster and ex-U.S. District Judge Frederick Lacey, made the recommendation in a 122-page report documenting unethical practices in Local 714.

The court-supervised review board was created under a 1989 consent decree settling racketeering charges against top Teamsters officials and organized crime figures.

The development comes in the midst of a bitter election campaign between Carey and James P. Hoffa for the Teamsters' top job. William Hogan Jr., the secretary-treasurer of the Chicago local, is Hoffa's running mate. The vote is scheduled for November.

Carey said the review board's eight-month probe found the local was being run for the benefit of William Hogan Jr., local President James M. Hogan, Recording Secretary Robert Hogan, their family and friends. William and James Hogan are brothers. Robert Hogan is William Hogan's son.

"We're going to turn that local into a union for members again, instead of a family business for union officials," Carey said in a national teleconference from Washington.

In a statement Thursday night, William Hogan charged that the move by the national union was political, "designed to give Ron Carey an advantage in an election he knows he's losing."

Hogan said he has been fighting similar "baseless" charges for years.

"Local 714 is one of the most vibrant, effective locals in this union, run solely for the benefit of the men and women who are proud to call themselves members," he said.

The International Brotherhood of Teamsters filed a request with U.S. District Judge Wayne Anderson for a hearing today on a request for a court order so the union can enforce the trusteeship.

The review board alleged that five Hogan family members and two other officials in the local's trade show-movie division also have ownership interests in companies in those industries that do business with Local 714, Carey said.

Chicago Tribune

MAY 25, 2001

Hoffa Gang Caught

"This proves there is no organized crime involvement with the Teamsters....Mob guys don't get caught"---Hoffa, Jr.

Report ties 2 Teamsters to non-union scheme

By Stephen Franklin
Tribune staff reporter

William Hogan Jr., Chicago's most powerful Teamster, improperly tried to steer Las Vegas convention jobs away from Teamsters to lower-paid, non-union workers supplied by his brother's temporary labor firm, a union oversight panel charged Thursday.

The investigators charged that Hogan and Dane Passo, a personal aide to Teamsters President James P. Hoffa, put pressure on Local 631 in the Nevada city to shift jobs to Chicago-based United Services Companies, where Hogan's brother Mike was an officer.

Mike Hogan, in turn, offered along with another United official to pay thousands of dollars in kickbacks to officials of the local to go along with the scheme, investigators alleged.

Although the local never accepted the deal, it gave some work to the firm, stirring union members' complaints, according to the 192-page report.

Several officials with Local 631, who opposed the plans also lost their jobs with the local and in one case received anonymous threats, investigators said.

If the union's executive board upholds the allegations, it could call for Hogan and Passo to be expelled from the union. Such an order also could come from an independent review board, created in 1989 under a federal court order as part of a consent decree between the Teamsters and the Justice Department.

Tough time for Teamsters

The charges come at a critical time for the powerful 1.4 million member union, which has been trying to shed itself of the oversight panel by showing that it is now corruption free.

The charges also come only months before Hoffa faces a re-election challenge from union reformers, who predicted that the allegations would support their claim that the union is still riddled with wrongdoing.

"This was called to the attention of Hoffa a long time ago, and he did nothing against his top lieutenants," said Ken Paff, head of Teamsters for a Democratic Union, a small dissident movement based in Detroit.

Hogan's union career

Hogan called the allegations "ludicrous."

In 1996, he stepped down as Hoffa's running mate in national union elections because of a union inquiry into nepotism and favoritism in his power base, Local 714 in Chicago. Hoffa, son of long-missing Teamster boss Jimmy Hoffa, lost that election but won in 1998.

"They never could charge me last time," said Hogan, 60, , who was stripped of his leadership of Local 714 by union officials in 1996. Investigators at the time had claimed that the local was "run for the benefit of the Hogan family and friends."

When Hoffa finally gained the union presidency in 1998, Hogan and several relatives also regained control of the local, which had been established more than six decades earlier by Hogan's father. The son of William Hogan was elected as the head of the local in 1998. Soon after, William Hogan and a brother James were returned to positions with Local 714.

Since then, Hogan has consolidated even more power in the union. He currently serves as the organizing and political director for Local 714, is an international union representative, the president of Joint Council 25 for Chicago-area Teamsters' locals and vice president of Local 179 in Joliet.

His various union salaries add up to $210,000 a year, according to the investigators' report.

Passo, 48, ran Hoffa's campaign effort in Chicago, and later became Hoffa's special assistant. He lost that title last October but has continued with the same duties, the report said.

Power shift in Las Vegas

Last year, after Hogan's initial approach to Local 631, control of the local was taken by Hoffa and handed to a trusteeship that Passo was assigned to oversee. He spent months in Las Vegas and kept in close contact with Hogan, the report said.

Neither Passo nor Mike Hogan could be reached to comment. Teamsters officials in Washington also declined to comment on the allegations.

Local 631 runs a hiring hall for workers who set up conventions and do custodial work at the mammoth shows in Las Vegas. Since Nevada is a right-to-work state, the union hall is also open for non-Teamsters.

When the local can't find enough Teamsters, it first turns to other unions for help to fill jobs and, if that doesn't suffice, can then seek non-union help, said Tim Murphy, the local's former leader.

The alleged scheme to benefit the temporary labor firm began in June 1999 when Hogan set up a meeting for his brother's firm with officials at Local 631, according to the report.

Hogan told the Tribune that he set up the meeting to help out the local because it could not always find enough workers for "big shows." He also said he had hoped that the non-union workers would become Teamsters.

According to the investigators' report, however, the local rarely had to go outside its membership to fill jobs at conventions. The report also said Passo made no effort to organize the workers.

The report highlighted that first meeting between Michael Hogan, Richard Simon, the CEO of the United labor firm, and two of the local's officials, including Murphy. At the meeting, Michael Hogan and Simon allegedly proposed that the local hire workers through United. While the rate for Teamsters was $20 an hour, the company hired mostly Hispanic immigrants for much less.

"Only Simon and, perhaps, the contractors who used his company, benefited from the cheaper labor," the report said.

'Too close to being illegal'

In a Tribune interview, Murphy said both of the company officials said the deal would pay off for the local and its officials. "When they talked to me, they mentioned a service fee that would be kicked back to the union or whatever, and that is when I walked out," Murphy said. "I felt that it was too close to being illegal. I wasn't going to sell out the members."

He recalled the company officials saying they paid their workers about $7 an hour, but charged conventions about $13.

Murphy lost his job with the local in April 2000 when Passo arrived. A month later, he wrote to the U.S. Labor Department and the independent investigators, detailing his allegations about the hiring scheme.

Simon said he had not seen the report and could not fully comment. But he called the charges, "the most blatant distortion of facts that I have ever seen or heard."

Tribune photo by Carl Wagner

Chuck Burandt (left), a backer of ousted Local 714 chief William Hogan Jr., clashes Monday with supporters of Teamster President Ron Carey outside Hogan's campaign headquarters in Berwyn.

Teamsters take battle to Berwyn streets

By Joel Kaplan
TRIBUNE STAFF WRITER

The battle over the leadership of the international Teamsters Union continued to play out Monday in west suburban Berwyn as the two opposing factions faced off in a stormy, but non-violent confrontation.

About two dozen supporters of incumbent Teamsters President Ron Carey brought picket signs and a bullhorn to march in front of the campaign headquarters of the opposing ticket headed by Jimmy Hoffa Jr. and Chicago's William Hogan Jr.

The campaign headquarters is two doors down from the Teamsters Local 714, which was run by Hogan until last week when Carey's international organization stripped him of power and placed the local into trusteeship.

"They are here to create an incident to try to show you guys are goons," said Hogan, addressing about 50 of his supporters.

The picketing by supporters of Carey, who was elected Teamsters president in 1991 as a reformer and will face off against the Hoffa/Hogan ticket in November, came a day after about 500 Teamsters rallied on behalf of Hogan in front of the federal building downtown.

"We're here to stop the mob and the corruption," said Lorelei Anderson, a candidate for central vice president on the Carey slate who led the protest.

But the members of Local 714, were quick to attack the Carey supporters, pointing out that all of them had to be imported by other locals since Hogan still maintains monolithic support in his own shop.

As the two sides warily approached each other on the sidewalk outside the Hoffa/Hogan campaign headquarters at 6811 W. Roosevelt Rd. in Berwyn, epithets and profane language filled the air.

While the confrontation occurred on the street, the door to Local 714 remained locked Monday as St. Louis Teamster leader John Metz, the emergency trustee, was talking to a small group of the local's membership, according to Jim Hogan, the local's recently ousted president and brother of William.